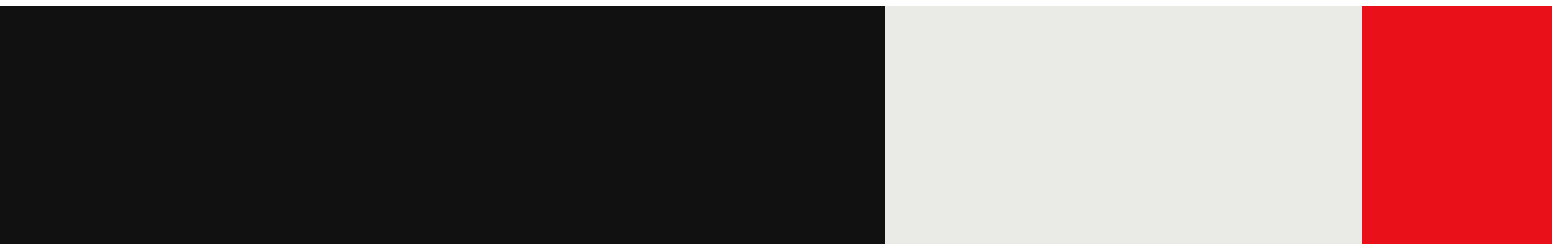


The Daily: Has TikTok broken social media, how much time online is spent on social, and Meta's AR and VR plans

Audio



On today's episode, we discuss the effect TikTok has had on social media, what time spent on the platform looks like, and the impact of its new screen time limit for children and teens. "In Other News," we talk about whether social apps are taking up a bigger or smaller share of Americans' time spent online and what Meta's AR and VR hardware road map looks like. Tune in to the discussion with our analyst Debra Aho Williamson.

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Episode Transcript:

Marcus Johnson:

Hey gang, it's Thursday, March 30th. Debbie and listeners, welcome to the Behind the Numbers Daily, an e-Marketer podcast made possible by Meltwater. I'm Marcus. Today I'm

joined by our principal analyst who heads up our research looking at all things social media and marketing. Based out of Washington, it's Debra Aho Williamson.

Debra Aho Williamson:

Hey, Marcus. Thanks for having me.

Marcus Johnson:

Hey, Debbie. Of course. Of course. Today's fact. It's about Al Capone. So, Debbie, he was only 33 years old when his reign as a crime boss ended and he was arrested. 33.

Debra Aho Williamson:

Wow.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

That blows my mind. I hadn't, to be honest, I've never researched it, but I always envisioned it in my head somebody in like their 60s who-

Marcus Johnson:

At least.

Debra Aho Williamson:

-ruled over that.

Marcus Johnson:

Yeah. Yeah. 33. So some other facts about him. He disliked the nickname Scarface. He hated it, but the media didn't care, called him anyway. Seems risky, dangerous person. He went to prison for tax fraud and he spent, what you learn about if you do the, have you done the Alcatraz tour, Debbie?

Debra Aho Williamson:

Years ago, yes.

Marcus Johnson:

Ah, so good. So, so good. He spent his final years out of the public spotlight. After being released from prison in 1939, he spent much of his time fishing and playing cards at Palm Island, which I've just looked up to see if it's real. It is. It's right by Miami Beach. And if you look on Google Maps, Al Capone's mansion is still there as a historical landmark.

Debra Aho Williamson:

That seems relevant.

Marcus Johnson:

Yeah, seems generous. Historical. I mean, I guess it's kind of historical.

Debra Aho Williamson:

That's pretty cool.

Marcus Johnson:

Yeah, I kind of want to go there now. Anyway, today's real topic, how TikTok took over our time.

In today's episode, we'll first cover time spent on TikTok in the lead. Then for In Other News, we'll discuss whether Americans are spending less of their online time with social media. And Meta's AR and VR four year roadmap. Of course, we're starting with the lead, TikTok and time. A recent economist article, Debbie, suggests that TikTok broke social media. How so? What is it talking about? Well, the piece writes that regardless of whether TikTok is banned or not, it is already clear the app changed social media for good, and in a way will make life harder for incumbent social apps.

So if you do want to listen to our analysis on a potential TikTok ban, you can listen to Tuesday's episode where I speak to Jasmine Enberg about a TikTok ban, a potential TikTok ban in the US, or Monday's episode where Bill Fisher, who hosts Around The World was talking about the TikTok ban and the implications and what that might look like around the world. So check those two episodes out Tuesday and Monday.

But today we're talking about TikTok and time spent on TikTok. And this article from the Economist suggesting that regardless of whether it gets banned or not, it's changed social for

good. It says that in just six years, TikTok has weaned the world of old-fashioned social networking and got it hooked on algorithmically selected short videos. Users love it. The trouble for platforms is that the new model makes less money than the old one and may always do so. So, Debbie, the question the Economist kind of poses is whether TikTok's broken social media? I don't know if broken is the right word, but what do you make of this?

Debra Aho Williamson:

Absolutely. I mean, broken is a very, it's a hard word to write or wrap my head around. I would prefer to say changed utterly social media, because in some respects, social media changes every year. I mean, trends come and go.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

Apps come and go. So we've seen that. But just like apps before, TikTok really inaugurated a new way of watching videos and engaging with videos and sharing content, following creators. These things really hadn't ever been done before and have been since copied by other social platforms. So that's where I think the big changes come. I know we're going to talk about time spent in a little bit, but one thing I'll just say just to tease that, is that the time spent on TikTok is leagues ahead of all the other social platforms now, and it's because of the addictive nature of its videos.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

So to me, it's a very, very compelling story. And like you mentioned, no matter what happens with TikTok, whether it is banned or not, what it has done has really turned social media upside down in many ways.

Marcus Johnson:

Yeah, broke seems a bit harsh, but changed definitely. The Economist saying TikTok's success prompted rivals to reinvent themselves. And when you see all these ways listed, it really does

suggest somewhat of a different era of social media. It says, A, Facebook and Instagram's main feeds are now algorithmically sorted discovery engines. B, TikTok lookalike products include Instagram and Facebook Reels. Pinterest has Watch, Snapchat has Spotlight, YouTube has Shorts, even Netflix has Fast Laughs. And Spotify now even has video clips that can be skipped by swiping up. And then, C, general focus, just a general focus on short videos across the board, across many platforms. But, Debbie, you mentioned time spent. You've just written a report about time spent on TikTok. What to you are some of the most interesting findings from that research?

Debra Aho Williamson:

So this was a really, really interesting one, very timely, as it turns out.

Marcus Johnson:

Yeah, you nailed it.

Debra Aho Williamson:

Considering all of the focus on TikTok that's going on right now. So we for the first time have broken out time spent on social networks by adult age groups. So previously we just did a forecast for 18 and up, as a whole. Now we have forecasts for age groups, 18 to 24, 25 to 34, et cetera, et cetera.

So I started to compare the forecasts for TikTok to other platforms. And it's no surprise that younger people, like the 18 to 24 demographic, way over index on TikTok compared to the other social platforms. But what was really interesting to me, and I think hasn't really come across is that the Millennial and Gen X generations are also gobbling up tons of TikTok videos. These users, that are in the ages of roughly of 25 to 54, which is largely these two generations, they're going to spend over 45 minutes per day on TikTok, which is well above the time that users of that same age of other social platforms spend on those. So just as a comparison, if you look at Facebook, 25 to 34 year olds are expected to spend, users, are expected to spend 25 minutes per day. That compares to 52 on TikTok.

Marcus Johnson:

Wow. Those younger Millennials.

Debra Aho Williamson:

Moving up to the other end of the spectrum, among 45 to 54 year olds, we see spending 33 minutes on Facebook and 46 minutes on TikTok.

Marcus Johnson:

Wow. Young Gen X.

Debra Aho Williamson:

So the addictive nature of these videos is not just a young person's thing.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

And that was absolutely the most interesting finding for me.

Marcus Johnson:

Yeah. So I mean the biggest discrepancy, or one of them, as you mentioned, so younger adult Gen Z, so we're talking the kind of 18 to 24 year olds that you mentioned, an hour and 19 minutes, call it an hour and 20 on TikTok and growing. Instagram in second place for those folks is just 45 minutes and flat. So it's not going anywhere. So that gap's just going to continue to grow and grow.

And, Debbie, you look at overall as well. Adult TikTok users will spend nearly an hour, 56 minutes a day, on the app this year. Americans started spending more time per day on TikTok than they do on YouTube back in 2021. So that change in the guard has already taken place. You also note interestingly, YouTube's TikTok clone Shorts, hasn't helped move the needle for time spent by US users, which is interesting. And that next year TikTok could beat number one Netflix for daily time spent. Debbie, one of the lines in this that you noted was about how much, TikTok users 18 to 24, when you start looking at the total minutes, that hour and 20, you compare it to the amount of time you'd spend watching a film.

Debra Aho Williamson:

Really. I started to look at comedy films, like an average comedy in the United States, it's like an hour and a half long. And you could say that people on TikTok in that age group are watching almost the equivalent of an comedy movie every single day.

Marcus Johnson:

That's a remarkable comparison. An hour in 20 minutes, the equivalent of a comedy film, every day on the TikTok platform, when you add up all the minutes, 18 to 24 year olds, that is. The comparison's overall, if you zoom out from that age group and look at everybody, the comparisons to other platforms as well. We mentioned that this year time spent on TikTok just under an hour, it's closing in on Netflix number one. But when you look at other social platforms, YouTube, it's already overtaken. It's about eight, nine minutes ahead of them. And Snapchat, Instagram, and Facebook are way behind with 30 minutes. So it's nearly double the amount of time spent on TikTok as spent on Snapchat, Instagram, and Facebook when you look at everybody, not breaking it down by age.

And, Debbie, you mentioned that TikTok, that one of the reasons that it's able to gain more time spent on the platform is because it is focusing on longer videos and also live-streaming and shopping features as well. Do you expect those initiatives to continue?

Debra Aho Williamson:

Absolutely. And one thing that I noticed is that creators are now starting to be incentivized to produce longer videos. So that I think will lead to more people spending more time on TikTok.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

And same goes with live shopping. Right now it's kind of a smaller initiative on TikTok than just simply watching videos. But, again, I mean watching a live stream of a creator or a brand selling products, I mean, if it's interesting enough, I could see people spending 20, 30, minutes watching that live stream and then of course buying products as well.

Marcus Johnson:

Yeah. Yeah. What was one other thing that jumped out to you from your research on how people spend their time on TikTok?

Debra Aho Williamson:

Well, I think I want to go back to my initial point about Millennials and Gen X using TikTok perhaps way more than we might think. I think that the reason why this is important is because Millennials and Gen X are really a sweet spot for advertisers. We focus a lot of attention on Gen Z, but these two other two generations have higher average post tax incomes compared to Gen Z. They have far more spending power compared to Gen Z.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

So those are things that I think advertisers definitely need to take away from this forecast.

Marcus Johnson:

One other thing from your research I wanted you to explain for the listeners as well was a line where you say, "Second screening could be a threat." Tell us what you mean by this.

Debra Aho Williamson:

So when it comes to TikTok, and especially in comparison to a streaming platform like Netflix, we are seeing increases in this second screening behavior where people are watching TikTok videos at the same time that they're watching Netflix. I actually came across a great video on TikTok not too long ago where a creator basically said, "Hey, are you with me? Sometimes I just stop watching my Netflix show just to use TikTok." And the comments on that were amazing. Everybody's saying, "I do that too. Oh my God, I do that too. That's exactly what I do." That's what I'm talking about. I mean, we're seeing second screening where things are happening at the same time, but the addictive nature of TikTok is strong enough that it's causing people to actually just turn off their streaming for a little while and maybe come back to it or maybe not come back to it.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

They might just get sucked down the rabbit hole of TikTok.

Marcus Johnson:

Finally, Debbie, with regards to TikTok and time spent, some recent news saying that TikTok sets a new default screen time limit for teen users. This was reported on by many sources, but one of them was Joe Hernandez of NPR. He explains that number one, TikTok users under the age of 18 will now automatically have a 60 minute, an hour, daily screen time limit. To keep using the app they'll need to enter a passcode. So it's forcing them to, what they say, is make an active decision to extend that time.

Number two, users under 13 will also have a 60 minute daily limit. A parent or guardian can add half an hour with a passcode. And number three, TikTok will send every teen account a weekly screen time summary, prompting teen users who spend over 100, minutes, an hour and 40, on the app to set a daily limit. So in summation, Debbie, TikTok's saying basically younger users, we're going to give them a 60 minute cap, and then they'll have to do something after to get more time, and also we'll send them a weekly report of their time spent. What do you make of these changes from TikTok?

Debra Aho Williamson:

Yeah, I mean, it's something that I feel like TikTok felt like it had to do just to show that it was paying attention to this. But in reality, I don't think younger users are going to listen. They'll consider it a suggestion. It's not a requirement. All they have to do is enter a passcode to continue using it. In that respect, it's too easy to get around. And ultimately, I don't think that this is going to have any effect whatsoever on teens use of TikTok.

Marcus Johnson:

Yeah.

Debra Aho Williamson:

They might see it as a blip and then just continue scrolling.

Marcus Johnson:

Two points from the article I thought were interesting. One, TikTok said they asked some experts, which I think is a positive sign. They didn't just say 60 minutes and kind of pull that out of thin air. The company settled on a 60 minute default time limit after consulting academic research and experts from the Digital Wellness Lab at Boston's Children's Hospital.

And, two, this is a great point, Debbie, I thought Linda Charmaraman, a Senior Research Scientist at the Wesley Centers for Women notes, "The amount of time spent on social media isn't always correlated with the quality of the experience, saying people could be on social media for three hours and feel very connected whilst others could be on it for 15 minutes and feel traumatized by what they're looking at. The motivation behind what they're doing on social is more important than how long you are spending on it." And we've talked about this before in terms of time spent. Time spent going up is one thing, but what are the types of activities people are doing on that platform? That's all we've got time for for the lead. Time, of course, for the Halftime Report.

Debbie, one takeaway please, from you from the first half.

Debra Aho Williamson:

Well, I think just to wrap everything up, TikTok has definitely changed social media in incredibly big ways. And the effect of TikTok has been to suck up a lot of the time spent with social media and putting other platforms in the dust, even other video platforms like YouTube and Netflix. And this is true among teens all the way up to age 54. So it's been a very, very powerful platform in driving usage and culture and engagement across the United States.

Marcus Johnson:

As I mentioned, the report's called Time Spent on TikTok, Gen Zers Aren't the Only TikTok Addicts - That's Bad News for Meta, Snap, Netflix and YouTube. There's a link in the show notes to the report or pro subscribers can head to insiderintelligence.com for the full report and all the good stuff in there. That's all we've got time for for the lead. Time, of course, for the second half of the show today, In Other News.

Are Americans spending less of their online time with social media? And what's Meta's AR and VR hardware roadmap look like?

Story one, are Americans spending less of their time online with social media? A Marketing Charts article suggests time spent online has grown over 12% in the last three years, over 12% in the last three years, with the average US adult internet user spending four and a half hours a day using the internet on a computer or a smartphone, according to data from Comscore. However, as time spent online has risen, social media time has taken an increasingly smaller role. Today, 15% of time online was spent with social media, representing a third consecutive

year-on-year decline, as that 15% was down from 22% share in 2019. Debbie, what's your take on this article?

Debra Aho Williamson:

Yeah, so obviously it's a very interesting counterpoint to what we've just been discussing about TikTok and the incredible amount of time spent that it is taking. So this study, I think, takes an interesting point of pulling back and looking at social media time compared to other types of activities.

Marcus Johnson:

Right.

Debra Aho Williamson:

So what I did was I went back and I looked at our own forecast, which were just published, and among all adults, social network's share of digital media time in our forecast is actually the same year-over-year, 2022 to 2023, at about 15 and a half per percent of daily media time across all adults.

So one difference though is that our forecast is annual, so we're looking at behaviors throughout the year, whereas this Comscore data looks at one month, December of 2022 versus 2021 versus the years before. So I think that might be something where one discrepancy might lie.

Another thing to think about too is how Comscore might categorize companies and what platforms are included in social media, what are included in entertainment. The line is very fuzzy, and I think some of that might contribute to some of the differences they might be seeing as well.

Marcus Johnson:

Yeah. And with share and then the total numbers, you can often see differences. One can go up whilst the other can go down. As you noted, our forecasted number time spent per day on social networks accounting for 15, 16%, of Americans digital time, and that's flat. But US adult users, Americans spending 24 more minutes per day on social networks this year than they did in 2019, totaling an hour and 46 minutes. And so you see that the total minutes can go up, but

if total minutes are going up in other digital activities faster, then it looks like the share of time people are spending on social is going down or is flat perhaps.

Story two. A recent article by Alex Heath of The Verge lays out Meta's AR and VR hardware roadmap for the next four years. He notes that during an internal presentation, Meta laid out plans for three new Quest headsets, AR glasses in 2025, and a neural interface smartwatch. Meta's flagship Quest 3 headset expected later this year will be two times thinner, twice as powerful, and cost a bit more than the \$400 Quest 2. Meta wants to release its first pair of smart glasses as well, with a view finder display in 2025, which comes with a neural interface smartwatch to control them. The glasses could view texts, scan QR codes, and translate text from another language in real time. But, Debbie, most interesting sentence from this article is what and why?

Debra Aho Williamson:

Yeah, so I went all the way to the end of the article almost to find really interesting discussion about how Meta wants to drive advertising revenue from these devices. So we really haven't seen too much about this. So the sentence that I picked was that the company thinks it could make a higher average revenue per user than what it makes currently in social media, thanks to a combination of selling virtual goods and optional add-ons like cloud backups and AR ads.

So I went and looked at the most recent quarterly earnings from Meta, because I wanted to refresh my memory about how much average revenue per user Meta generates now. They do publish ARPU for Facebook, and so just as a comparison, if you look at worldwide, in Q4 they generated ARPU of \$10.86. So average revenue per user of \$10.86. In US and Canada, it was more than \$58.

Marcus Johnson:

Wow.

Debra Aho Williamson:

So I think it's a really high bar for these AR devices and revenue to reach. So I'm going to be very curious. It's probably going to take a very long time for them to get to this goal. But it's interesting to see just what they're setting their sights on and how much revenue they think they can bring in from these AR devices.

Marcus Johnson:

Yeah. Well, that is all we've got time for for this episode. Debbie, thank you of course for joining me.

Debra Aho Williamson:

Thank you again for having me. It's always fun.

Marcus Johnson:

Absolutely. Yes, indeed. And thank you so much to Victoria who edits the show, James who copyedits it, and Stuart who runs the team. Thanks to everyone for listening in. We'll see you tomorrow hopefully for the behind the Numbers Weekly Listen. That's an eMarketer podcast made possible by Meltwater.